

poetic accomplishments, deserve recognition as the state poet laureate. The list of nominees shall be transmitted to the governor. The governor may select the state poet laureate from the list of nominees for a two-year term of office. The state poet laureate is an honorary state office and the incumbent is entitled to no compensation as a result of the appointment.

Approved May 20, 1999

CHAPTER 162

RIGHTS OF DISSENTING SHAREHOLDERS OF BANKS

H.F. 445

AN ACT relating to the rights of a dissenting shareholder of a state bank.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 524.1406, Code 1999, is amended by adding the following new subsection:

NEW SUBSECTION. 3. a. Notwithstanding any contrary provision in chapter 490, division XIII, in determining the fair value of the shareholder's shares under this section, due consideration shall be given to valuation issues acknowledged and authorized by the Internal Revenue Code, as defined in section 422.3, including discounts for minority interests and discounts for lack of marketability.

b. If, prior* to giving notice of a meeting at which a shareholder would be entitled to assert dissenter's rights, a bank may seek a declaratory judgment to establish the fair value for purposes of section 490.1301, subsection 4, of shares held by shareholders who would have a right to dissent. Another cause of action or a counterclaim shall not be joined with such a declaratory action. A declaratory judgment shall be filed in the county where the bank's principal place of business is located. The court shall appoint an attorney to represent minority shareholders. All shareholders of the bank shall be served with notice of the action and be advised of the name, address, and telephone number of the attorney appointed to represent minority shareholder interests. The bank may select an appraiser to give an opinion on fair value and the attorney shall select an appraiser to give an opinion on fair value. Any shareholder may participate individually and present evidence of the fair value of such shareholder's shares. All court costs, appraiser's fees, and the fees and expenses of the attorney shall be assessed against the bank. A judgment in the action shall not determine fair value for a share to be less than the stockholders' equity in the bank in its last statement of condition filed under section 524.220 divided by the number of shares outstanding. A final judgment in the action shall establish fair value for the purposes of chapter 490, division XIII and shall be disclosed to the shareholders in the notice to shareholders of the meeting to approve the transaction that gives rise to dissenters' rights. If the proposed transaction is approved by the shareholders, upon consummation of the proposed transaction the fair value so established shall be paid to all shareholders entitled to payment for their shares upon receipt of such shareholders' share certificates.

Approved May 21, 1999

* See chapter 208, §59 herein